

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 93-459-C - ORDER NO. 93-1175 ✓c

DECEMBER 29, 1993

IN RE: Application of Polar Communications Corp.)	ORDER
d/b/a PolarNet Communications Corp. for)	APPROVING
a Certificate of Public Convenience and)	CERTIFICATE
Necessity to Provide Resold)	
Telecommunications Services Including)	
Operator Services Within the State of)	
South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Polar Communications Corp. d/b/a PolarNet Communications Corp. (Polar or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold telecommunications services including operator services in the State of South Carolina. Polar's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Polar to publish a prepared Notice of Filing, one time, in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Polar's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Polar complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to

Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell), and the South Carolina Department of Consumer Affairs (the Consumer Advocate). Southern Bell subsequently filed a Motion to Withdraw from this proceeding, and the Consumer Advocate has now filed a letter stating that it no longer desires to participate in a hearing on this matter.

Mark Kelly, President of Polar Communications, submitted verified testimony and an affidavit on behalf of the Company. Mr. Kelly explained the Company's request for authority. Mr. Kelly stated that Polar intends to provide 24 hour per day interLATA telecommunication services to subscribers and end users. Mr. Kelly stated that Polar's services are designed primarily to originate at locations where callers require operator assistance, or alternative billing arrangements. Polar's services will be offered at locations such as private pay telephones, hotels and motels, hospitals, and educational institutions, and Polar's services will enable the user to complete calling card and credit card calls, collect calls, third number billed calls, and person-to-person calls from such locations. Mr. Kelly also stated that Polar does not and will not provide any "900" telecommunications services within South Carolina.

Mr. Kelly also testified that Polar currently uses Wiltel, Inc. as its underlying transport provider. Mr. Kelly further offered that Polar has the sufficient technical, financial, and managerial resources and ability to provide the services for which authority is sought. Mr. Kelly also indicated that Polar is authorized to provide its services in eleven states and that Polar

has applications pending in several other states. Additionally, Mr. Kelly stated that Polar will provide its services in accordance with Commission policies. Mr. Kelly further submitted that approval of Polar's application would serve the public interest by creating greater competition in the interexchange marketplace, by providing consumers with billing options and a greater choice of long distance services for operator-assisted calls, by promoting efficient use of the underlying networks, and by expanding the tax base and revenue services for South Carolina.

After full consideration of the applicable law, the Application, and testimony and affidavits presented by Polar the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Polar is incorporated under the laws of the State of Nevada, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. Polar operates as a non-facilities based reseller of interexchange services and wishes to do so on an interLATA basis in South Carolina.
3. Polar has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. The Commission concludes that Southern Bell's Motion to Withdraw Intervention should be granted.

2. The Commission concludes that the Consumer Advocate's letter stating its intention not to participate in a hearing in this matter is tantamount to a request to withdraw intervention. The Commission further concludes that the Consumer Advocate's request to withdraw its intervention should be granted.

3. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Polar to provide intrastate interLATA service through the resale of intrastate Wide Area Telecommunications Service (WATS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

4. The Commission adopts a rate design for Polar for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA operator assisted collect and calling card calls, Polar may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Polar may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in

Docket No. 84-10-C (August 2, 1984). The Commission adopts Polar's proposed maximum rate tariffs.

5. Polar shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Polar shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Polar's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

6. Polar shall file its tariff and an accompanying price list within thirty (30) days of the date of this Order, and its filing shall be consistent with the findings herein. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

7. Polar is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones, identifying Polar as the provider of operator service for intrastate interLATA distance calls. Polar is required to brand all calls identifying itself as the

carrier for the motel, hotel, or pay telephone provider. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811 issued in Docket No. 92-557-C.

8. Polar shall be allowed to incorporate in its tariff a surcharge to be applied to operator-assisted and calling card calls originated from hotels, motels, and customer provided pay telephones only if the property owner or pay telephone provider has not already added a surcharge. That is, the company may not impose an additional surcharge to calls originating from hotels, motels, and customer owned pay telephones if such a surcharge has already been imposed by the property owner. The amount of such surcharge shall not exceed \$1.00. Further, if the surcharge is applied, the end user shall be notified of the application of the surcharge. This notification shall be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service provider at hotel/motel guest phones and pay telephones.

9. For the provision of operator services, Polar shall comply with Operator Service Provider Guidelines approved in Order No. 93-534 issued in Docket No. 93-026-C.

10. Polar is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

11. With regard to Polar's resale of service, an end user should be allowed to access another interexchange carrier or operator service provider if they so desire.

12. Polar shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Polar changes underlying carriers, it shall notify the Commission in writing.

13. Polar shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

14. Polar shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

DOCKET NO. 93-163-C - ORDER NO. 93-1175
DECEMBER 29, 1993
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).